Annual Report

1991

Trimac

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1991

Annual Meeting

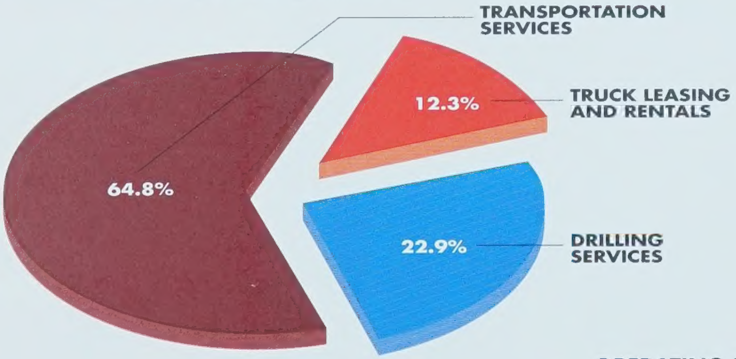
Trimac's Annual Meeting will be held Friday, May 8, 1992, at 10:30 a.m. in the Glenview Room of the Calgary Convention Centre. Shareholders are encouraged to attend and meet the officers and directors of the company. Those who are unable to attend are kindly requested to complete, sign and return their proxies as soon as possible.

Additional Information

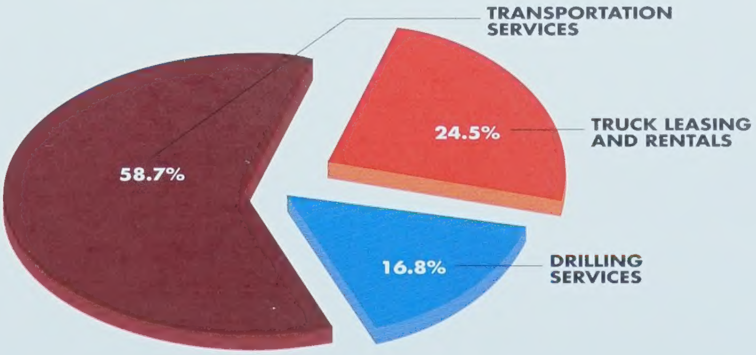
Trimac's Public Relations Director, Suite 2100, 800 Fifth Avenue S.W., P.O. Box 3500, Calgary, Alberta T2P 2P9, would be pleased to provide additional copies of this report or other information about the Trimac group of companies. Telephone or send facsimile requests to: telephone (403) 298-5100; facsimile (403) 298-5258.

	December 31	
	1991	1990
	(thousands of dollars except per share amounts)	
OPERATING RESULTS		
Revenues	**$449,047**	$445,057
Earnings before discontinued businesses	**23,724**	14,436
- per share	**0.64**	0.38
Net earnings	**23,174**	13,183
- per share	**0.63**	0.34
Cash from operations	**48,718**	47,284
Net capital investments:		
Fixed assets	**50,325**	33,863
Acquisitions/investments	**410**	56,957
FINANCIAL POSITION		
Working capital	**8,130**	17,353
Total assets	**394,000**	392,072
Long-term debt	**122,634**	139,481
Shareholders' equity	**191,390**	171,453
SHARE DATA		
Common share dividends	**0.10**	0.20
Common shareholders' equity	**5.14**	4.63
Number of common shares outstanding	**36,514,840**	36,176,599

OPERATING REVENUES



OPERATING EARNINGS



Trimac Transportation Improves Productivity

Trimac Transportation significantly improves operating efficiencies through the installation of a computerized on-line dispatch system in the east and central United States and the reorganization of management and assets in Canada and the United States.

Drilling Results Improve And Fleet Expands

The Kenting drilling group reports improved results with drilling activity exceeding industry averages in all markets. Sedco Drilling purchases six drilling rigs from Adeco Drilling and Engineering Co. Ltd.

Rentway's Revenues Grow In A Tough Market

Rentway Inc. achieves strong growth in revenues and improves earnings by focusing on full service leasing and the "Trukcare" proprietary fleet maintenance programs.

Bovar Continues To Build Incineration Capabilities

BOVAR Inc. completes contract on behalf of the Federal Defense Research Establishment involving the incineration and stabilization of chemical warfare agents, begins public hearings relating to a $60 million addition of an incinerator at Alberta Special Waste Treatment Centre and starts construction of biomedical waste facility.

Chauvco Reports Growth In Production And Cash Flow

Chauvco Resources Ltd. has another year of strong growth, reporting significant increases in production and cash flow.

Banister Returns To Profitability

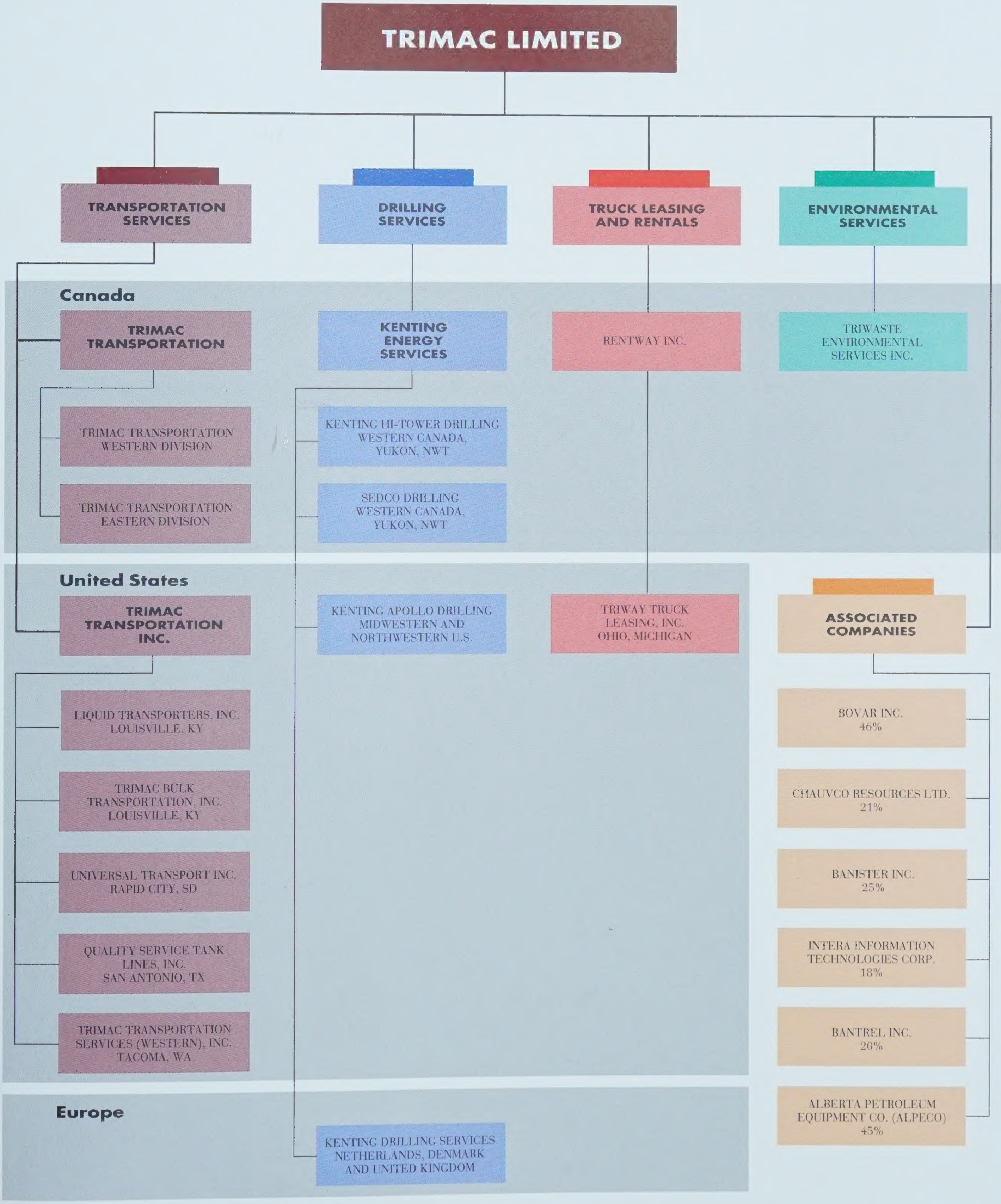
Banister Inc. returns to profitability, reporting increases in earnings in 1991 due to strength in its pipeline division and the consolidation and reduction of overheads.

Profile

Trimac Limited is a Canadian owned public company. Its main businesses, carried on through 100 per cent owned subsidiaries, are the highway transportation of bulk commodities, contract drilling and truck leasing and rentals. Other interests, carried on through investments in associated companies, include environmental services, oil and gas exploration and production, engineering and construction, information technology and oilfield equipment supply. The company and its wholly owned subsidiaries employ 4,000 people. Trimac is based in Calgary and its common shares are traded on the Toronto and Montreal stock exchanges.

Operating Structure

The following chart illustrates the operating structure of Trimac's core businesses and the interest it holds in associated companies



J.R. (Bud) McCaig, Chairman (left) with President, Jeffrey J. McCaig.

Trimac achieved modest growth in 1991, despite the challenges presented by the economic recession and an increasingly competitive business environment. Our three core businesses of transportation, contract drilling and truck leasing and rentals responded in a proactive manner to the economic slowdown, and were successful in improving their competitive position in the markets they serve. We are pleased with the positive integration of Quality Management procedures into our operations, and with the progress made in establishing a fourth business in the growth industry of environmental services. In addition, our investment in associated companies continued to contribute strong returns adding breadth to our earnings.

Trimac Transportation System had a challenging year as volumes decreased from the construction, manufacturing and resource sectors as a result of the economic downturn in North America. In spite of this environment, acceptable results were achieved through significant cost reduction measures and a strategy of reorganization and consolidation aimed at improving productivity.

The Kenting drilling group reported increases in earnings due to a strong first quarter (the by-product of high oil prices during the Persian Gulf War), a special dividend from Western Rock Bit (a supply co-operative), and increased activity of the European rig fleet.

Results from Rentway Inc. were much improved due to the strength of its full service lease business and the successful implementation of its "Trukcare" proprietary fleet maintenance programs. Increased activity in Rentway's project rental business also contributed to its improved performance.

In December, 1991, Trimac expanded its presence in the environmental services sector through the acquisition of Canadian Waste Management Limited, a company involved in the treatment of semi-hazardous or special wastes. This business will be carried out under the name of TriWaste Environmental Services Inc.

During the year, Trimac continued to emphasize Quality Assurance and Continuous Improvement in all its operations. The Quality Assurance process is installed throughout Trimac Transportation and Rentway's Total Quality Management program will be fully implemented by the second quarter of 1992. Quality Assurance has been established in the drilling group's European division and will be introduced into North American operations during 1992.

Trimac recorded higher earnings from its investments in associated companies with most of these companies experiencing growth.

BOVAR Inc., specializing in environmental and hazardous waste management, posted improved results in 1991. BOVAR is pursuing expansion of its incineration capacity, both through a

$60 million expansion of the Alberta Special Waste Treatment Centre in Swan Hills, Alberta and the construction of a biomedical waste facility to be established in Beiseker, Alberta.

Chauvco Resources Ltd. had a successful year reporting strong increases in cash flow. In February, 1992, Chauvco entered the international energy market by purchasing a 23.3 per cent working interest in five producing properties in Tierra del Fuego, Argentina.

Banister Inc. recorded a significant turnaround in results in 1991 driven by high activity in the pipeline division and a major reduction of overhead costs.

Financial

In 1991, revenues increased to $449.0 million compared to $445.1 million in the prior year. Operating earnings, however, decreased to $26.0 million from $28.7 million, principally due to lower results in transportation. Earnings before discontinued businesses were $23.7 million or $0.64 per share compared to $14.4 million or $0.38 per share in 1990. Trimac recorded a one time gain of $0.34 per share in the second quarter arising from the sale of 800,000 shares of Chauvco and a dilution gain with respect to a share issue in which Trimac did not participate.

Net capital expenditures increased to $50.3 million compared to $33.9 million in 1990, largely as a result of increased purchases of equipment by Rentway.

Long-term debt totalled $122.6 million at the end of the year, down from $139.5 million at the end of 1990. The debt-to-equity ratio was 0.64 at December 31, 1991, compared to 0.81 at December 31, 1990.

Outlook

Trimac anticipates a continuing difficult economic climate in 1992. However, positive factors such as falling inflation and low interest rates should eventually serve to increase business activity.

Trimac Transportation expects a gradual increase in volumes over 1991 levels. Recent computer system upgrades, as well as reorganization and consolidation of operations, will enable Trimac Transportation to deliver increasingly more efficient and cost-effective services.

Drilling activity is forecast to be below 1991 levels as a result of low crude oil and natural gas prices and reduced spending by a number of major energy firms. Kenting's financial strength, strong technical ability and geographic diversification will position it to do well in the longer term.

Rentway anticipates increased business activity in 1992, as it continues to emphasize growth through marketing and sales and the provision of quality, shop-based services.

Trimac believes that the environmental services sector is a progressive industry and we will continue to strategically develop this industry segment in a manner that adds value to our operations.

We recognize that our core businesses operate in very competitive environments. Yet, we continue to fulfill our strategy of being a recognized leader in providing superior, equipment based, industrial services. Our employees share a mission — of providing quality customer service while maintaining high operating standards. Our continued progress is directly attributable to their dedication to these principles, particularly during these difficult economic times. On behalf of the shareholders and directors of Trimac, we gratefully acknowledge our employees' commitment and contribution to the growth and success of the Trimac group of companies.

J.J. McCaig
President

J.R. McCaig
Chairman

March 5, 1992

Petroleum is a major commodity hauled by Trimac Transportation and accounted for 18.7 per cent of Trimac Transportation's revenues in 1991. Featured above is an 8-axle B train with 60,000 litre/16,000 U.S. gallon capacity transporting petroleum in Western Canada.

Trimac Transportation System is in the business of providing bulk highway transportation and related distribution and management services to industrial customers throughout North America. It transports a wide range of liquid, dry and gaseous products. Trimac is the largest bulk transportation company in North America with more than 3,000 employees and owner-operators, 1,710 power units and 3,910 trailers working from 95 locations.

"During 1991, Trimac Transportation became more competitive and productive. Our Quality Assurance and Continuous Improvement Process is well established throughout our transportation network, resulting in improved customer service and higher employee morale.

Computer upgrades in the United States and the consolidation of operations throughout North American operations continue to enhance operating efficiencies."

ANDREW B. ZALESKI
PRESIDENT,
TRIMAC TRANSPORTATION SYSTEM

Industry Overview

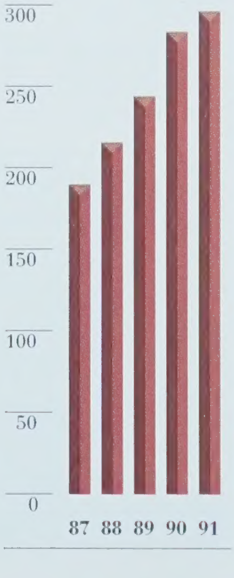
The economic downturn created a difficult business environment in 1991, resulting in further rationalization of the bulk transportation industry. Competitive forces have intensified due to overcapacity and the effects of the recession. Some bulk transportation firms have suffered financially and some have gone bankrupt.

The depressed state of the construction and manufacturing industries has reduced bulk hauling volumes for most carriers throughout North America. In Canada, the weakness of the resource sector has affected transportation activity in the mining and forestry industries.

It is anticipated that these challenging economic conditions will continue well into 1992, with a gradual recovery occurring late in the year. A solid improvement in consumer spending on such products as automobiles, durables and housing will need to occur for the economy to return to relative health and stability.

The massive U.S.$151 billion six-year highway and mass transit bill passed by the United States Congress in December, 1991, is expected to have a beneficial impact on the construction sector and related bulk transportation companies starting in late 1992.

TRIMAC TRANSPORTATION REVENUES
Millions of Dollars



TRIMAC TRANSPORTATION

Summary (thousands of dollars)	1991	1990
Revenues	**$291,079**	$284,719
Earnings before interest and taxes	**16,053**	19,840
Interest	**7,648**	9,069
Cash from operations	**26,631**	25,922
Identifiable assets	**172,866**	179,437
Long-term debt	**57,739**	75,996
Depreciation and amortization	**20,880**	18,816
Net capital expenditures	**16,572**	19,322

Trimac Transportation's numerous tank cleaning facilities are strategically located throughout North America, and provide reliable cleaning services that ensure product integrity. Pictured above is the wash rack facility in Louisville, Kentucky.

Environmental issues continue to influence the industry. The introduction of vapour recovery systems which are designed to recapture petroleum vapours from trailers are expected to become a legislated requirement in Canada in the next two to three years. The cost for the industry to comply with these requirements will be substantial, as all trailers will need to be equipped to handle vapour recovery systems.

The Motor Vehicle Transportation Act and The National Transportation Act are being reviewed in Canada in 1992. It is anticipated that increased emphasis will be placed on safety enforcement and increased qualifications for new entrants into the truck transportation business. These reviews are expected to enhance Trimac's position in the bulk transportation market.

Trimac Transportation System

Revenues increased to $291.1 million in 1991, compared to $284.7 million in 1990 for Trimac Transportation. Earnings before interest and taxes were $16.1 million, down from $19.8 million in the previous year.

Revenues in Canada were improved over 1990, reflecting a full year of results from the acquisition of CP Bulk Systems made in August, 1990. Earnings were down mainly due to increased pressures on margins from the effects of the recession.

In the United States, revenues were down, despite the acquisition of Ryder Bulk Transportation Services, Inc. in March, 1990. The decrease in revenue was mainly due to low volumes in cement and chemical hauling. Earnings in the United States operations were adversely affected by the lower revenue levels, adjustments to insurance reserves and start-up costs of new terminal locations.

Actions taken by management to weather the impact of reduced volumes included a profit enhancement program focused on reducing operating and overhead costs in targeted areas, as well as consolidation of branches, selective staff reductions, some closures of marginal operations and disposal of surplus assets.

Employees in Houston, Texas, monitor loads, equipment and drivers using a computerized on-line dispatch system linking 23 branches across the east and central United States.

A stainless steel MC-307 semi-trailer hauling chemicals in the southern United States. Chemicals are a primary commodity for Trimac Transportation and accounted for 28.5% of its revenues in 1991.

Despite the severe economic conditions, Trimac Transportation had an active year and reported a number of significant accomplishments.

In May, 1991, Trimac installed a computerized on-line dispatch system which linked 23 Liquid Transporters, Inc. and Trimac Bulk Transportation, Inc. branches across the east and central United States. The system has significantly improved efficiencies by allowing dispatchers at all locations to communicate with each other and central dispatch in Louisville, Kentucky, and enabling them to monitor loads, equipment and drivers.

To improve efficiency of people, assets and management, Trimac undertook a full rationalization of Liquid Transporters and Trimac Bulk Transportation during the year, placing both companies under the same operating management. In addition, the acquisition of CP Bulk Systems is now fully integrated into the transportation network, contributing to a more productive operation.

A new western United States division was formed in late 1991, through the integration of the dry bulk operations of Quality Service Tank Lines, Inc. in Texas, Universal Transport Inc. in South Dakota and Trimac Transportation Services (Western), Inc. operating in the states of California and Washington. There is significant synergy between the three integrated companies as they all are primarily dry bulk carriers and have several common customers.

In April, 1991, Trimac opened a new terminal in Houston, Texas. This modernized facility is equipped with seven drive-through bays and two dead-end bays, one indoor and one outdoor wash rack and complete maintenance facilities.

A driver with Liquid Transporters in Louisville, Kentucky, prepares for a haul. Ongoing driver training programs include equipment and product handling, driver improvement courses and emergency response procedures.

An aluminum asphalt 8-axle insulated B train serving a customer in northern Alberta.

In May, 1991, the Trimac owned and operated Red Dog rail-truck intermodal facility near Trail, British Columbia, became completely operational. Trimac's contract with Burlington Northern Railway involves unloading rail cars and transferring lead and zinc concentrates into storage which are subsequently delivered by truck to the Cominco smelter in Trail. Trimac anticipates revenues of $20.0 million over the ten-year contract period.

A $4.0 million, five-year contract was awarded to Trimac in late 1991 by CP Rail. The contract calls for the transportation of ore concentrates, primarily zinc, from the Minnova Mines site at the town of Schreiber in northern Ontario, to a rail transfer facility. Trimac has designed a special container-transfer system to more efficiently handle the ore.

The Quality Assurance Continuous Improvement Process continues to play a vital role in the company's operations. Installed throughout the transportation network, Quality Assurance is producing real gains, including improved customer service levels and the resulting benefits in the marketplace, as well as higher morale of the work force. In 1992, Trimac will continue to pursue partnerships with major shippers based on Quality Assurance principles.

Trimac Transportation is committed to conducting its business in a manner that preserves and protects the environment. Accordingly, environmental protection principles are adhered to by all employees in every operational task and in complete compliance with all applicable laws and regulations.

TERMINAL AND OFFICE LOCATIONS

Bulk Systems is the forest products transportation division of Trimac Transportation. Pictured above is a dump-through 8-axle B train wood chip unit in British Columbia.

A lightweight pneumatic bulk semi-trailer hauling cement in Texas. Dry bulk products accounted for 29.7% of Trimac Transportation's revenues in 1991.

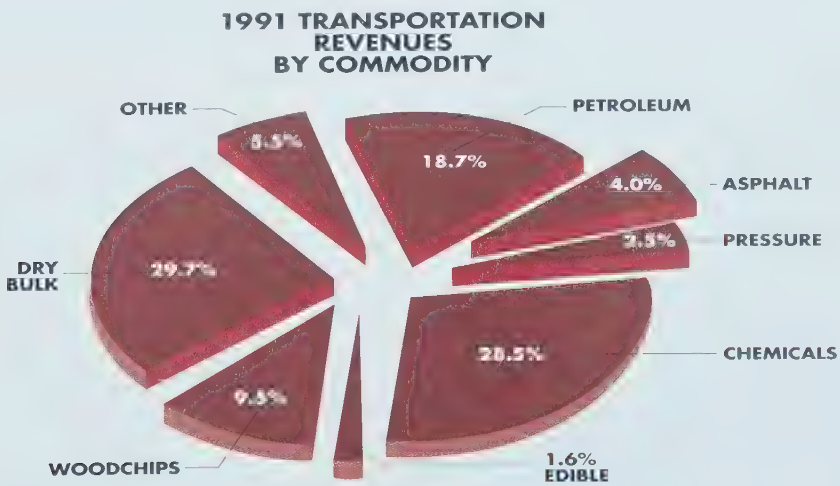
HAULING CAPABILITIES

	Canada	U.S.	Total
Power Units (owned & leased)	872	838	1,710
Trailers	2,414	1,496	3,910
Terminals	50	45	95

Outlook

Trimac Transportation anticipates that the economic recovery will be gradual and consequently the company expects its business activity to increase at a slow pace in 1992.

Trimac Transportation's proven reputation for high quality, efficient service, combined with a well focused strategic plan for the future, will enable it to achieve solid growth in a more stable economy. The company's strategic objectives include: ongoing adherence to the Quality Assurance Process, operating with a decentralized structure to meet customer needs efficiently, developing management information systems that significantly contribute to growth and profitability and enhancing the skills of employees at all levels.



The Kenting drilling group operates 88 rigs with operations in Canada, the United States and Europe. In 1991, Kenting's drilling activity exceeded industry averages in all markets.

Trimac, through the Kenting Energy Services drilling group, provides contract drilling services for the development of oil and natural gas reserves and for geothermal and scientific purposes in Canada, the United States, Europe and other select global markets. With a fleet of 88 rigs, Kenting is the largest Canadian owned drilling contractor and among the largest land drilling contractors in the world.

"The Kenting drilling group is preparing for future growth opportunities by focusing on Total Quality Management. Our aim is to provide the highest value to our customers through increased efficiency and highly technical specialized drilling services."

ARTHUR E. DUMONT
PRESIDENT,
KENTING ENERGY SERVICES

Industry Overview

The contract drilling industry recorded significant increases in activity in the first half of 1991, compared to 1990. This was mainly due to a strong first quarter driven by high oil prices as a result of the Persian Gulf War. However, the second half of 1991 saw drilling activity fall below 1990 levels in response to low natural gas prices and an increased price differential for heavy crude oil.

In Canada, drilling utilization rates were approximately 35 per cent in 1991, down from 38 per cent in 1990. Average utilization rates in the United States were 38 per cent compared to 43 per cent in the prior year.

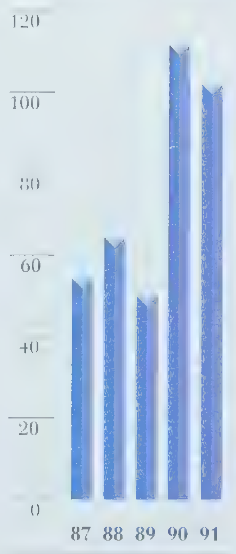
These lower activity levels were directly related to the reduced profits of many major oil and gas companies. As a result of depressed commodity prices, a number of energy firms rationalized their upstream operations during the year in an effort to curtail costs. It is anticipated that the industry will continue to downsize in 1992.

Most industry observers are forecasting low drilling activity in 1992. This forecast is based on prevailing low natural gas and heavy oil prices, and anticipation that Iraq and Kuwait will increase their production volumes during the year, pushing down light crude prices. This situation could be offset somewhat by a decline in oil production in the republics of the former Soviet Union due to the unsettled political climate there.

KENTING ENERGY SERVICES

Summary (thousands of dollars)	1991	1990
Revenues	**$102,568**	$112,976
Earnings before interest and taxes	**4,580**	3,959
Interest	**1,830**	3,130
Cash from operations	**6,367**	4,208
Identifiable assets	**56,722**	66,934
Long-term debt	**13,418**	19,267
Depreciation and amortization	**6,018**	5,422
Net capital expenditures	**5,557**	2,478

KENTING ENERGY SERVICES REVENUES
Millions of Dollars



Two roughnecks working on the rig floor of a Kenting Hi-Tower drilling rig. Kenting Hi-Tower operates 31 medium and deep capacity rigs in Western Canada.

It is anticipated that the new coker at the Conoco refinery in Billings, Montana and the Husky Bi-Provincial Upgrader, both of which are scheduled to come on stream later in 1992 should increase demand for heavy crude oil and serve to lower the price differential between light and heavy crude.

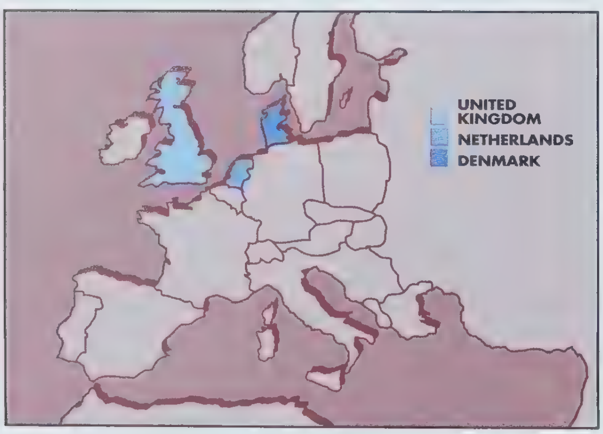
While drilling activity is expected to remain flat in the short term, it should begin a slow recovery as new pipeline capacity and growing demand increase gas exports to the northeastern and midwestern United States, California and Eastern Canada.

Growing concern over acid rain, clean air and global warming favour natural gas as an energy source since it creates less pollutants than crude oil and coal. The competitive price of natural gas compared to crude oil also makes it a more attractive fuel.

A key factor in the recovery of the contract drilling industry is the necessary and continuing rationalization of the North American rig fleet. Currently at approximately 2,721 rigs, the fleet will need to be reduced by a further 25 per cent before the industry can achieve acceptable utilization rates.

NORTH AMERICAN SERVICE AREAS

EUROPEAN SERVICE AREAS



A Kenting Apollo rig working at Black Fork River, Wyoming. Kenting Apollo operates 18 rigs in the midwestern and northwestern United States.

Kenting Energy Services

Total revenues for the Kenting drilling group were $102.6 million in 1991, down from $113.0 million in 1990. Earnings before interest and taxes were $4.6 million, compared to $4.0 million in the prior year.

Improved results are mainly attributable to a strong first quarter, a special dividend recorded in the third quarter from Western Rock Bit Limited (a 15.5 per cent owned supply co-operative), and improved performance of the European operations due to securing several major scientific drilling contracts. Two of the European rigs had long term contracts with British Nuclear Fuels, Inc. to drill nuclear waste disposal test wells in the United Kingdom.

An additional factor in Kenting's overall results is the improved efficiency and lower overhead costs realized as a result of the merger and consolidation activities that were implemented in May, 1990, after the purchase of rigs from BOVAR Inc. in 1989.

During the first nine months of 1991, Kenting Hi-Tower and Sedco operated 57 rigs in Canada. On October 1, 1991, Sedco acquired six rigs and associated assets from Adeco Drilling and Engineering Co. Ltd. Kenting Apollo operated 18 rigs in the United States Rocky Mountain region and Kenting Drilling Services operated seven rigs in Europe.

Kenting's drilling activity exceeded industry averages in all markets in 1991. Utilization rates for Kenting were 37 per cent in Canada, two percentage points ahead of industry, and in the United States, utilization rates were 40 per cent, also outperforming the industry by two percentage points. Drilling rig utilization was high in Europe with most of the rig fleet working throughout the year.

Sedco Drilling serves the shallow drilling market, operating 32 rigs in Western Canada.

The nuclear waste disposal test well drilling work in the United Kingdom introduced high level Quality Management programs into Kenting. In 1992, Kenting will begin to implement a Total Quality Management program throughout the remainder of its operations. The design and implementation of a company wide Quality program is aimed at improving profitability through increased efficiency and the provision of highly skilled services. The principles of Quality Management and Continuous Improvement will be an integral part of Kenting's operations by the middle of the decade.

RIG CAPACITIES

Maximum Depths	Kenting Hi-Tower	Sedco	Kenting Apollo	Kenting Drilling Services	Total
Up to 2 400 m (7,800 ft.)	—	28	2	2	32
Up to 3 100 m (10,500 ft.)	8	4	2	2	16
Up to 3 800 m (12,500 ft.)	15	—	7	1	23
Up to 4 600 m (15,100 ft.)	4	—	7	2	13
Up to 7 600 m (25,000 ft.)	4	—	—	—	4
	31	32	18	7	88

A Kenting Drilling Services Limited ("KDSL") rig conducting continuous core nuclear test well drilling in the United Kingdom. KDSL operates seven rigs in Europe, offering a full range of contract land drilling services.

Kenting has adopted a comprehensive environmental policy which embodies its traditional concern for the health and safety of employees, customers, the public and the environment. Components of the policy cover compliance with the law, environmental protection and stewardship, risk management, industry leadership and public responsiveness.

In September, 1991, Cactus Drilling ceased operations. The decision to leave the West Texas market was influenced by Cactus' sustained weak performance in a severely depressed and competitive drilling environment.

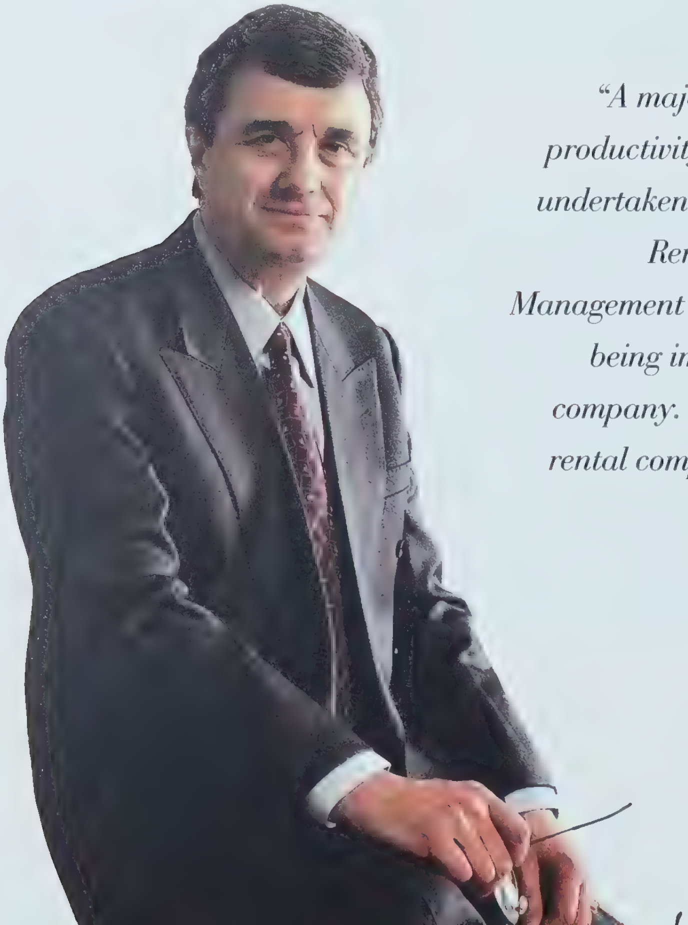
Outlook

Kenting anticipates that drilling rig activity in 1992 will be below levels achieved in 1991. Petroleum and natural gas prices continue to be at depressed levels as a result of warm winter weather and high inventories of oil in the market.

Kenting will continue with its operating strategy of providing the highest value to its customers in all markets in which it operates, of quality management and environmental responsibility, of geographic diversification and of providing specialty services such as horizontal, geothermal and scientific test well drilling. This strategy, combined with Kenting's financial strength, will enable it to maintain quality operations during the current downturn and to perform well in recovery.

Rentway Inc. has provided transportation services to Canadian business for 25 years, offering a range of vehicle management services from full service leasing to commercial rentals. Pictured above is a commercial rental unit in service in Alberta.

Rentway Inc. is in the business of truck fleet management, providing full-service truck leasing, rentals, maintenance and repair services from Quebec to British Columbia and, through Triway Truck Leasing, Inc., in select areas of the northern United States. Rentway operates a fleet of approximately 3,000 vehicles from 18 company-operated shops.



"A major investment in customer service, productivity and employee commitment was undertaken in 1991, with the introduction of Rentway's customized Total Quality Management system. The program is currently being implemented throughout the entire company. We are the first truck leasing and rental company in Canada to incorporate a formal Quality program."

RONALD W. WAYE
PRESIDENT,
RENTWAY INC.

Industry Overview

As a result of the uncertain economy and continuing rationalization of the trucking industry, total new Class 8 truck registrations were down for the third consecutive year. However, the full service leasing industry's share of truck registrations increased due to the growing importance of the benefits offered to customers.

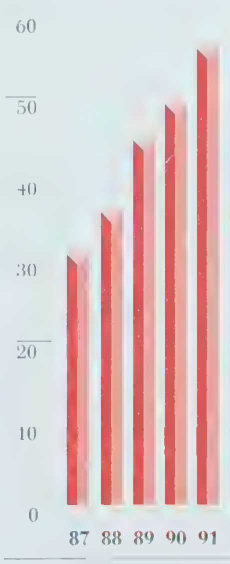
The combination of the economic downturn, new technology and more demanding regulatory requirements, has resulted in more users of truck vehicles choosing to lease equipment rather than to buy and maintain their own fleets.

Full service leasing is an attractive option as it provides the lessee with complete fleet management services. It also eliminates the risk of residual value realization to the lessee.

New safety certification programs have been introduced in various provincial jurisdictions. This will lead to the operation of increasingly safer vehicles on the roads and should increase the prices for used trucks with the appropriate safety certification, eventually leading to additional new truck requirements.

Technological advances, such as new electronically controlled engines, offer significant fuel savings while meeting emerging standards for emission control. Older trucks are less cost competitive and both public and private truck carriers will find it necessary to upgrade their fleets. Lower interest rates combined with the need for purchasers to conserve capital will continue to make truck leasing attractive.

RENTWAY INC.
REVENUES
Millions of Dollars



RENTWAY INC.

Summary (thousands of dollars)	1991	1990
Revenues	**$55,375**	$47,305
Earnings before interest and taxes	**6,695**	6,019
Interest	**5,790**	5,914
Cash from operations	**16,151**	13,275
Identifiable assets	**78,113**	63,710
Long-term debt	**49,420**	42,757
Depreciation and amortization	**16,155**	13,590
Net capital expenditures	**28,007**	13,195

Full service leasing has become a widely accepted method of operating trucks for Canadian business. Rentway provides full service lease packages to numerous customers including Strathcona Paper, out of its Belleville, Ontario shop, and to Drummond McCall in the Hamilton, Ontario market.

Rentway Inc.

Revenues were $55.4 million in 1991 for Rentway Inc., up from $47.3 million in the prior year. Earnings before interest and taxes increased to $6.7 million in 1991, compared to $6.0 million in 1990.

The increase in earnings was achieved through both higher margins and higher revenues. These increases were partially offset by a major investment in employee training and lower prices realized on the sale of used trucks.

Rentway was able to exceed its strategic goal for growth in revenues despite the recession. This goal was achieved by a thorough assessment of the market and by leveraging the company's strength as a leading quality, shop-based, fleet management company.

In 1991, Rentway established a strategic direction to increase revenues and earnings by concentrating on its two key business activities — full service leasing and "Trukcare" and "Trukcare P.M.", proprietary truck maintenance programs.

Full service leasing revenues increased over the prior year in a very slow market. Vehicles under full service lease are for periods of more than one year and include such services as optimum vehicle specification, quality shop support and safety and regulatory compliance.

During 1991, Rentway successfully implemented two new services: "Trukcare" and "Trukcare P.M.". "Trukcare" provides a variety of high quality shop inspection and repair services to non-lease customers on a short term basis. "Trukcare P.M." provides extended fleet management services for one year or longer and includes full custom preventative maintenance programs to ensure efficient operating conditions and full compliance with all regulatory and warranty requirements.

These services are available at Rentway locations across Canada on a 24-hour a day basis. The new programs serve a growing market need and enhance the services capability package supporting the full service leasing program.

Rentway participates in other related activities on a targeted basis, including commercial rental of heavy and medium trucks and project rental of lighter vehicles.

Rentway's project rental business had an active year, providing a high inventory of pick-up and four wheel drive vehicles to service companies in the pipeline industry, primarily in Ontario and Manitoba.

Professional technicians implement thorough scheduled preventative maintenance programs to ensure that Rentway equipment is consistently safe and efficient.

Effective November 1, 1991, Rentway acquired the assets of the Paclease franchise in Montreal, Quebec. This purchase, which included 48 power units, provided an additional shop location, increasing the number of shops in Montreal to three.

A major investment in customer service, productivity and employee commitment was undertaken during 1991, with the introduction of Rentway's customized Total Quality Management system. The program is currently being implemented throughout the company with all of Rentway's 320 employees being fully trained in Quality Management and Statistical Process Control.

Rentway is the first truck leasing and rental company in Canada to incorporate a formal Quality program based upon rigorous measurement and continuous improvement techniques. This new management system will greatly enhance Rentway's ability to provide higher levels of service.

Quality management is becoming a more widespread practice throughout the industries that Rentway serves and such companies prefer to deal with suppliers using Quality programs.

LEASING LOCATIONS

Alcan is a large full service lease customer in Montreal, Quebec. In 1991, Rentway expanded its presence in the Montreal market through the acquisition of the assets of the Paclease franchise.

Outlook

For 1992, Rentway anticipates an increase in the number of new Class 8 truck registrations over the very low 1991 levels. This increase will be driven primarily by fuel efficiency needs and by fleet owners adjusting their low vehicle inventories.

The leasing industry's share of new truck registrations should increase again in 1992. Rentway anticipates that it will be able to increase its share of this leasing activity because of its expanded service capability and its growing reputation for quality service.

Rentway's strategy for 1992 has a dual focus: to increase returns by continuing with its strong sales growth momentum and to build upon its reputation as the service leader in the industry through the implementation of Total Quality Management.

"Trukcare" and "Trukcare P.M." are proprietary fleet maintenance programs offered to non-lease customers and are available at Rentway locations across Canada on a 24-hour a day basis.

Contaminated soils and sludges are rendered environmentally benign at TriWaste Environmental Services' waste stabilization facility near Big Valley, Alberta.

TriWaste Environmental Services Inc.

Trimac has identified environmental services as a business which it will pursue through its 46 per cent ownership of BOVAR Inc., as well as through direct investment.

Effective December 16, 1991, Trimac acquired the shares of Canadian Waste Management Limited and its subsidiaries from Consolidated Environmental Technologies Ltd. for a consideration of $500,000. This business will be carried out under the name of TriWaste Environmental Services Inc.

TriWaste is involved in the management of semi-hazardous waste materials. The company's operations include a portable waste water treatment system and a transfer station in British Columbia, and a stabilization plant for contaminated soils and sludges and a permitted development site for an industrial waste landfill near Big Valley, Alberta.

While there are synergies between BOVAR Inc. and Triwaste, Trimac intends to operate TriWaste as a separate business. This company serves its own market niche by providing a viable intermediate treatment option between the hazardous and non-hazardous waste segments. Intermediate waste treatment is the provision of value added services which either render waste benign so that it can be directly landfilled, or separates a fraction of the waste for treatment at a hazardous waste facility such as the Alberta Special Waste Treatment Centre in Swan Hills, Alberta.

The acquisition is in keeping with Trimac's strategy to expand its involvement in the growth industry of environmental services. Trimac will continue to develop this business through the provision of environmental and waste management services that are complementary to its present investment in BOVAR.

BOVAR provides a wide range of environmental and hazardous waste management services. Pictured above (l-r): Alberta Special Waste Treatment Centre, near Swan Hills, Alberta; site decontamination/reclamation work being conducted in Western Canada; and a BOVAR manufactured unit for monitoring air quality.

Trimac has investments in six companies that are related to existing or previous businesses and represent diversification strategies for Trimac. These investments include the areas of environmental services, petroleum exploration and development, information technology, engineering and construction and oilfield equipment supply.

BOVAR Inc. - Trimac Interest - 46%

BOVAR Inc. is an integrated, technologically advanced Canadian corporation dedicated to environmental and hazardous waste management.

Increases in revenues and income were reported by BOVAR in 1991, reflecting the company's growing leadership position in the environmental services sector. Revenues increased to $53.1 million from $48.9 million in 1990. BOVAR's income from continuing operations was $1.8 million, up from $1.6 million in the previous year.

BOVAR conducts its business activities through three separate divisions: Waste Management Facilities, Environmental Services and Engineered Equipment.

Waste Management Facilities consist of the Alberta Special Waste Treatment Centre at Swan Hills, Alberta, and the recently announced biomedical waste incineration facility to be established in Beiseker, Alberta.

The Alberta Special Waste Management System is a joint venture between BOVAR (60 per cent) and the Alberta Special Waste Management Corporation (40 per cent), a corporation owned by the Government of Alberta. The joint venture is responsible for the design, construction and operation of the hazardous waste management treatment facility at Swan Hills and the management of the associated transportation and collection systems within Alberta. The Swan Hills Treatment Centre is a "fully integrated" facility, as it completely treats and disposes of the wastes entering the plant, leaving no residues or by-products which require further treatment.

Public hearings are proceeding before the Alberta Natural Resources Conservation Board regarding approval to add a new $60 million incinerator at the Swan Hills Treatment Centre. When

approved, the new incinerator will take two years to be constructed and commissioned and will significantly increase the centre's capacity by 50,000 tonnes annually, three times its present capacity.

In January, 1992, BOVAR announced that it had completed an agreement with International Mediwaste Inc. to acquire certain assets related to the construction of a biomedical waste incineration facility in Beiseker, Alberta. Anticipated to be complete by the third quarter of 1992, the $7.0 million facility will be designed to destroy and dispose of wastes generated by hospitals, long term care facilities, laboratories, doctors, dentists and veterinarians.

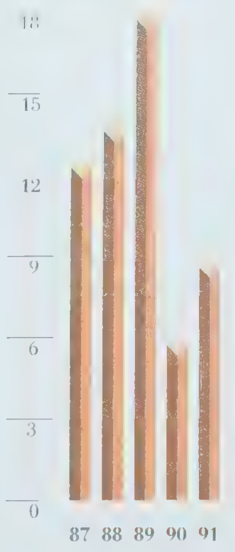
The Environmental Services division provides consulting and technical engineering services, including source emission testing, monitoring of air quality, environmental studies of soil and water, and public consultation including Environmental Impact Assessments. Environmental Services also provides waste management services, including customized technical services for site decontamination and reclamation.

In 1991, this division was successful in treating chemical warfare agents by way of incineration and chemical neutralization on behalf of the Federal Defense Research Establishment at Suffield, Alberta. BOVAR is currently marketing this proven expertise internationally.

The Engineered Equipment division designs, produces and services a spectrum of process analytical equipment marketed on a global scale. The core instrumentation products are a series of analyzers sold in locations where gas containing hydrogen sulphide is emitted. BOVAR's primary market for these products is the oil and gas industry, with a secondary market being the pulp and paper industry. This division recently expanded into Germany.

Continued emphasis at all levels of society for the preservation and protection of the environment point to a growing demand for the products and services developed and marketed by BOVAR in 1992 and the future.

EARNINGS OF ASSOCIATED COMPANIES (PRE-TAX)
Millions of Dollars



ASSOCIATED COMPANIES

Summary (thousands of dollars)	1991	1990
Trimac's share of earnings before taxes	**$ 8,682**	$ 5,832
Trimac investment	**60,320**	57,446

A Chauvco pumpjack working at a producing property in Marsden, Saskatchewan. In 1991, Chauvco undertook an aggressive capital expenditure program resulting in significantly increased production volumes.

Chauvco Resources Ltd. - Trimac interest - 21%

Nineteen ninety-one was another strong year for Chauvco, a leading independent oil and gas exploration and development company. Gross oil and gas revenues were $113.1 million, up from $79.7 million reported in 1990. Cash flow increased to $64.6 million or $3.37 per share compared to $43.7 million or $2.58 per share in the previous year.

Chauvco undertook an aggressive capital expenditure program in 1991. Completion of capital projects in Saskatchewan at Marsden and Marsden West, and in Alberta at Swalwell and Choice, and the construction of production facilities at Thompson Lake, have added significantly to production volumes.

In February, 1992, Chauvco purchased a 23.3 per cent interest in five producing natural gas and petroleum properties in the Austral Basin of Tierra del Fuego, Argentina. The transaction is part of a joint venture by Chauvco and Bridas S.A.P.I.C., a private Argentine oil and gas firm. YPF S.A., the state-owned oil company, sold a 70 per cent working interest for U.S.$143.5 million of which Chauvco's share was U.S.$47.8 million. The purchase was funded through available lines of credit. Chauvco is confident that significant exploitation potential exists in these new properties.

In addition to the new international focus, Chauvco will continue with its strategic plan of pursuing oil-prone targets in select areas of Western Canada which provide a high rate of return, increasing utilization of advanced technology and reducing operating costs.

In March, 1991, Chauvco completed a private placement of 1.3 million Special Warrants. The proceeds of the $23.2 million issue were used to reduce bank debt. Trimac did not participate in the equity issue resulting in Trimac recording a pre-tax gain on dilution of $3.8 million.

In June, 1991, Trimac reported a pre-tax gain of $10.3 million arising from the sale by Trimac of 800,000 Chauvco shares.

In February, 1992, Chauvco announced that it was proceeding with a rights offering to current shareholders. Each shareholder will receive one right for each share owned, allowing shareholders to purchase one new share with ten rights of Chauvco for $22.00 per share. Trimac intends to purchase 200,000 shares for a total price of $4.4 million. Chauvco intends to use the proceeds of the offering to reduce bank debt.

Early in 1991, Banister completed Trillium Terminal III at Lester B. Pearson International Airport in Toronto. Banister returned to profitability in 1991, strengthening operations through consolidation and reduction of overheads.

Banister Inc. - Trimac interest - 25%

Banister Inc. is a Canadian engineering and construction company specializing in civil, pipeline, utility, industrial and building related projects.

Banister returned to profitability in 1991. Although revenues were $421.5 million in 1991, down from $700.4 million in 1990, earnings increased to $6.6 million or $1.12 per share compared to a loss of $8.5 million (a loss of $1.43 per share) in 1990.

The pipeline division was a major contributor to the company's improved performance due to the successful completion of several projects across Canada.

Banister's emphasis on asset consolidation and reduction of overheads were additional factors in strengthening operations. In April, 1991, the company concluded the sale of its marine division, Pitts International Inc.

Building construction revenue was down for the year due in part to the recession and lower activity, as well as a more conservative tendering program and the substantial completion early in the year of major projects, including Trillium Terminal III at Lester B. Pearson International Airport in Toronto.

Internationally, Banister remained active, working on the construction of the Canadian Embassy in Beijing, China and completing construction of the Canadian High Commission in Tanzania.

In 1992, Banister expects further operating efficiencies and continued profitabilty.

Intera uses modern workstations to interpret two and three dimensional seismic data providing information solutions in the search for new petroleum reservoirs.

Intera Information Technologies Corporation - Trimac interest - 18%

Intera provides information solutions to customers worldwide through the collection, processing and interpretation of a broad range of geographic, geological and engineering information. Intera is a leader in providing these products and services to a wide base of customers in resource industries and governments in approximately 90 countries.

For the fiscal year ending September 30, 1991, Intera reported revenues of U.S.$73.6 million compared to U.S.$52.3 million in 1990. Income from continuing operations of U.S.$1.5 million was below the U.S.$3.4 million recorded in 1990. Intera posted a loss of U.S.$1.1 million after providing U.S.$2.6 million for losses from its discontinued businesses.

The loss was principally due to Intera's decision to dispose of its meteorological and airborne geophysics operations. Steps have been taken to rationalize this situation, and Intera has entered into negotiations to sell these operations.

Other factors affecting 1991 results were lower revenues from the STAR-1 system due to the postponement of the Defence Mapping Agency program for the United States government as a result of the Persian Gulf War, and lower than anticipated revenues for Geographic Information System ("GIS") products and services throughout North America due to the recession and associated spending cuts.

The company's petroleum and resource management segment had a year of strong growth due to increased demand from multinational and government-owned oil and gas companies for its production and exploration services. During the year, Intera entered into a significant contract with a major United States oil and gas company to provide it with reservoir engineering software products over the next three years, and concluded sales of non-exclusive regional evaluations in support of exploration activities in Namibia.

In 1991, the company acquired a majority interest in Intera Tydac Technologies Inc. which supplies GIS data conversion services and GIS software products. IBM is a significant equity partner in the venture.

In July, 1991, Intera completed a major reorganization, the prime objective of which was to reduce future operating costs and to focus the company's activities on its core businesses. These changes, along with renewed strength in all product and service segments, will assist Intera in returning to more profitable levels in 1992.

Bantrel continued to work on the construction of the Husky Bi-Provincial Upgrader in Lloydminster, Alberta which is scheduled for completion in mid-1992.

Bantrel Inc. - Trimac interest - 20%

Bantrel is a Calgary-based engineering, procurement and construction management company providing services to the Canadian petroleum industry. Despite weakness in the energy sector. Bantrel was active on a number of projects.

During the year, Bantrel completed the revamp of Petro-Canada's Taylor refinery and the expansion of two compressor stations for Shell Canada. Another accomplishment in 1991 included the formation of the Esso Petroleum Alliance, which involves a long term agreement to execute small projects at four Esso refineries. Bantrel also worked on an expansion of Amoco's heavy oil pilot facility.

Throughout 1991, Bantrel provided a large contingent of staff in the construction of the Husky Bi-Provincial Upgrader at Lloydminster, Alberta, which is scheduled for completion in mid-1992.

Bantrel anticipates lower activity levels in the energy sector for 1992. Accordingly, it is exploring other technical and geographic markets in order to maintain adequate returns from its operations.

Alberta Petroleum Equipment Co. Ltd. ('Alpeco') - Trimac interest - 45%

Despite a very competitive industry environment, Alpeco achieved continued growth and profitability in 1991. Alpeco is the largest domestic supplier of used drilling equipment and is emerging as a significant supplier of well servicing equipment.

During the year, Alpeco was successful in selling several complete drilling rigs, including one now working in Japan. The company is developing other potential international market opportunities.

Alpeco has recently completed the acquisition of an oilfield manufacturing and distribution company. This acquisition has added significant size and a strong revenue base to the company.

The weak state of the drilling industry will affect Alpeco's business activity in 1992. However. the company's strong financial position should enable it to maintain growth, although at a more modest rate than in prior years.

Management Discussion and Analysis

Results of Operations

Total revenues in 1991 increased slightly to $449.0 million from $445.1 million in 1990. Revenues in Canadian transportation increased by $14.4 million due principally to the full year effect of the acquisition of assets of CP Bulk Systems in August, 1990. The economic slowdown was the principal reason that transportation revenues in the United States decreased by $8.1 million, despite having the full year effect of the Ryder Bulk acquisition in March, 1990. Revenues in drilling were $102.6 million, down from $113.0 million in 1990, primarily as a result of lower levels of drilling activity in the North American market. Truck leasing and rentals' revenue increased to $55.4 million from $47.3 million in 1990, reflecting increases in activity in the full service lease and maintenance businesses.

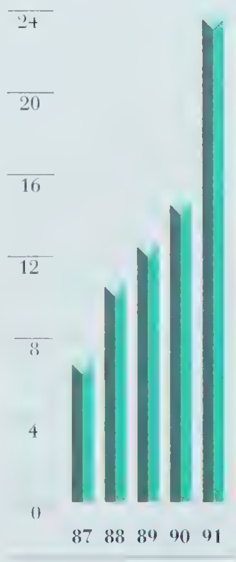
Operating earnings in 1991 were $26.0 million, a decrease of $2.7 million from last year. Operating earnings in transportation were down $3.8 million to $16.1 million in 1991. Results in both Canada and the United States were adversely affected by lower product movements in cement, asphalt and chemical products, combined with lower margins resulting from customer resistance to price increases. Operating earnings in drilling improved slightly to $4.6 million from $4.0 million in 1990. Results in Canadian drilling were positively affected by the inclusion of approximately $950,000 in income as a result of a special dividend from Western Rock Bit, a 15 per cent owned company. United States drilling recorded a loss in the year due to decreased demand for drilling services in the Williston Basin and the Wyoming markets, combined with operational problems on some footage contracts. The European drilling operation showed significantly improved results due to increased rig utilization as a result of participating in nuclear waste disposal test drilling programs in the United Kingdom. Operating earnings in truck leasing and rentals increased to $6.7 million from $6.0 million, reflecting the increased activity levels in full service lease and maintenance services.

Pre-tax equity earnings from associated companies increased to $8.7 million in 1991 from $5.8 million in 1990. Trimac's share of pre-tax earnings from Banister Inc. was $1.5 million compared to a loss last year of $2.1 million. Results at Banister were much improved due to success on several pipeline projects, combined with improved operating efficiency of its organization. Trimac recorded reduced equity earnings from Chauvco in 1991, due to its reduced ownership level and a higher effective income tax rate experienced by Chauvco. Intera Information Technologies Corporation reported lower earnings in 1991, resulting in reduced equity earnings for Trimac, due in part to lower levels of activity in their mapping division.

Trimac recorded a $3.8 million pre-tax gain on dilution in the second quarter of 1991 (1990 - $2.7 million) as a result of an equity issue in each year by Chauvco in which Trimac did not participate. A pre-tax gain of $10.3 million was also recorded on the sale by Trimac of 800,000 shares of Chauvco in June, 1991. These two items contributed $0.34 to earnings per share in the year (1990 - $0.05).

In July, 1991, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants issued new guidelines regarding dilution gains and losses for oil and gas companies using full cost accounting. These guidelines effectively require that gains or losses resulting from dilution of a parent's

EARNINGS BEFORE UNUSUAL AND EXTRAORDINARY ITEMS
Millions of Dollars



interest in a subsidiary should not be included in net income unless the underlying ~~depletion rate~~ changes by more than twenty per cent. Application of this guideline will mean that Trimac will not record further dilution gains on share issues by Chauvco where Trimac participates in the share issue at less than its pro-rata share.

Interest on long-term debt of $13.6 million was down from $18.6 million in 1990 due to lower debt levels throughout the year (resulting in reduced interest expense of $0.5 million), an overall lower average interest rate ($3.3 million saving from 1990), and conversion of the debenture in June, 1990 ($1.1 million saving from 1990).

Earnings before taxes were $29.3 million compared to $18.7 million in 1990. Tax expense of $5.6 million was at an effective rate of 19.0 percent compared to an effective rate of 23.0 percent in 1990. The lower effective rate in 1991 is as a result of income (principally the gains related to the resulting lower ownership level in Chauvco) which is taxable at capital gains rates. The effective tax rate in both years is significantly lower than the "expected" rate due mainly to the application of previously unrecorded benefits of loss carryforwards.

Earnings before discontinued businesses of $23.7 million ($0.64 per share) were $9.3 million higher than the $14.4 million ($0.38 per share) recorded in 1990.

The loss from discontinued businesses of $0.5 million was as a result of losses incurred by Intera Information Technologies Corporation, an associated company, on the discontinuance of their meteorological and airborne geophysics business. The losses from discontinued businesses in 1990 arose as a result of losses from Kenting Projects and Kenting Earth Sciences.

Net earnings for the year were $23.2 million ($0.63 per share) compared to $13.2 million ($0.34 per share) in 1990.

Investments and Acquisitions

Net capital expenditures were $50.3 million in 1991, compared to $33.9 million in 1990. Transportation capital expenditures decreased to $16.6 million from $19.3 million last year due mainly to lower levels of equipment purchases in Canada. Net capital expenditures in drilling, excluding the $3.0 million purchase of six rigs from Adeco Drilling and Engineering Co. Ltd., were $2.6 million, up slightly from the $2.5 million recorded in 1990. Rentway's capital expenditures were $28.0 million, compared to $13.2 million last year. This substantial increase is due principally to the increased attractiveness of purchasing equipment in 1991, compared to the cost of leasing equipment which had been more economic in prior years.

In June, 1991, Trimac sold 800,000 shares of Chauvco, and holds 4,036,696 shares or 20.7 per cent of this company. A pre-tax gain of $10.3 million was recorded on this sale.

Trimac Limited's senior management group (l-r): S.W.C. Mulherin, Vice President Corporate Development and Associated Companies; T.J. Jackson, Vice President Finance; G.A. Campbell, Vice President and Treasurer; R.D. Algar, Vice President Human Resources; and F.T. Bailey, Vice President Corporate Affairs and Secretary.

Net Capital Expenditures and Investments

(thousands of dollars)

	Transportation Services	Truck Leasing	Drilling Services	Other	Total
Net capital expenditures	$16,572	$28,007	$5,557	$ 189	$50,325
Investment in associated and subsidiary companies					
- Banister	—	—	—	70	70
- Other	—	—	—	340	340
Total 1991	$16,572	$28,007	$5,557	$ 599	$50,735
Total 1990	$54,730	$13,195	$6,551	$16,344	$90,820

Financial Resources and Liquidity

Cash from operations increased to $48.7 million from $47.3 million last year. This increase is far less substantial than the increase in net earnings, as the earnings in 1991 include $14.1 million of pre-tax gains which are not components of cash from operations. Depreciation and amortization increased to $43.9 million from $38.6 million in 1990. This increase is due to the full year effects in 1991 of the transportation acquisitions made in 1990, combined with increased depreciation in Rentway as a result of the significantly larger capital program in 1991.

Long-term debt decreased to $122.6 million from $139.5 million at the end of 1990. Most of this reduction occurred as a result of the application to long-term debt of the $16.0 million proceeds received on the sale of 800,000 shares of Chauvco. The debt-to-equity ratio was 0.64 at the end of 1991 compared to 0.81 at the end of 1990.

Trimac has entered into three interest rate cap agreements. These agreements, covering approximately $51.0 million of notional principal amount, for terms of three to five years, provide relief to Trimac if the 90 day Bankers Acceptance rate rises above 11 per cent in Canada and if the three month LIBOR rate rises above 9 per cent in the United States.

Trimac's policy is to use excess cash balances to reduce levels of floating rate indebtedness. Consequently, significant cash balances are not maintained for any length of time. At the end of 1991, cash balances totalled $9.1 million compared to $6.3 million at the end of 1990. Availability under unused lines of credit totalled approximately $80.0 million at the end of the year.

Long-Term Debt

	1991	1990
	(thousands of dollars)	
Transportation services	**$ 57,739**	$ 75,996
Truck leasing	**49,420**	42,757
Drilling services	**13,418**	19,267
Other	**2,057**	1,461
Total	**$122,634**	$139,481

Outlook

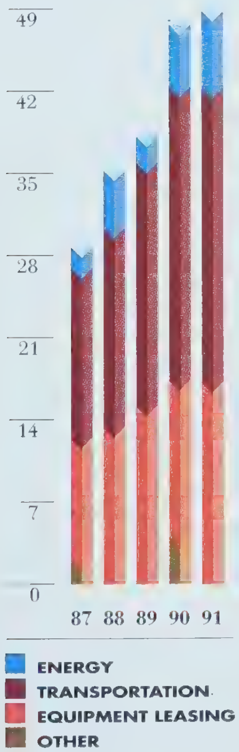
The level of earnings in Trimac's transportation business is affected to a large extent by the overall strength of the economy. To the extent that economic activity continues to be depressed, it is likely that transportation earnings in 1992 will not recover to pre-recession levels.

Revenues and earnings in Trimac's drilling businesses are directly affected by the level of spending on exploration and development by oil and gas companies. Most industry observers are predicting lower levels of exploration and development spending in 1992, despite the recently announced royalty holiday by the Government of Alberta, as a result of continuing low prices for crude oil and natural gas. Consequently, it appears that drilling results in 1992 will be below 1991 levels.

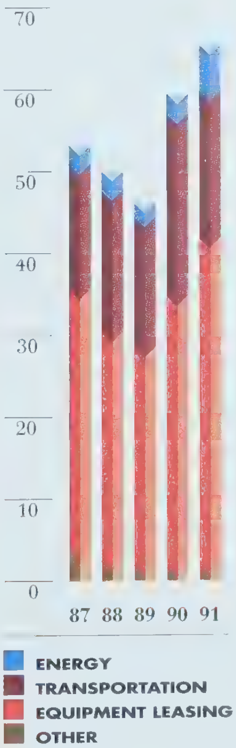
Truck leasing and rental earnings are less dependent on the state of the eonomy and more on the ability of management to take advantage of specific opportunities.

Earnings from Trimac's associated company investments are contingent upon both the overall level of economic activity and commodity prices for oil and gas. In spite of poorer economic conditions, results at Banister in 1991 were much improved over 1990, due in part to improved cost controls and operating efficiency. Results in 1992 for Banister will depend on management's ability to continue to keep these cost containment measures in place. Chauvco's earnings are affected by oil and gas prices and its ability to continue to find, buy or enhance production at below average costs.

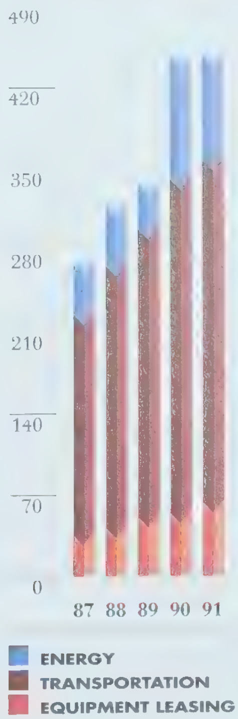
CASH FROM OPERATIONS
Millions of Dollars



GROSS CAPITAL EXPENDITURES
Millions of Dollars



OPERATING REVENUES
Millions of Dollars



TRIMAC LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Earnings

	Year ended December 31	
	1991	1990
	(thousands of dollars)	
REVENUES	$449,047	$445,057
OPERATING COSTS AND EXPENSES		
Direct	316,646	318,717
Selling and administrative	63,657	60,131
Depreciation and amortization	43,939	38,612
Gain on sale of assets (net)	(1,195)	(1,116)
	423,047	416,344
OPERATING EARNINGS	26,000	28,713
Associated companies - earnings	8,682	5,832
- gain on dilution of equity interest	3,765	2,717
- gain on disposal of shares	10,344	—
Interest - long-term debt	(13,636)	(18,581)
Interest income (net)	304	5,076
General and administrative costs	(6,159)	(5,013)
EARNINGS BEFORE TAXES	29,300	18,744
Income taxes (Note 3)	5,576	4,308
EARNINGS BEFORE DISCONTINUED BUSINESSES	23,724	14,436
Discontinued businesses (Note 4)	(550)	(1,253)
NET EARNINGS	$ 23,174	$ 13,183
EARNINGS PER SHARE		
Before discontinued businesses	$ 0.64	$ 0.38
Net earnings	0.63	0.34

Consolidated Statement of Retained Earnings

	Year ended December 31	
	1991	1990
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF YEAR, as previously reported	$ 69,166	$ 64,592
Adjustment due to the settlement of a prior year's insurance claim (Note 2)	—	(922)
RETAINED EARNINGS, BEGINNING OF YEAR, as restated	69,166	63,670
Net earnings	23,174	13,183
Dividends		
Common shares	(3,633)	(6,112)
Preferred shares		
9.12% First Preferred Shares, Series A	(355)	(386)
Class B Preferred Shares	—	(1,189)
RETAINED EARNINGS, END OF YEAR	$ 88,352	$ 69,166

TRIMAC LIMITED
Consolidated Balance Sheet

	December 31 1991	December 31 1990
	(thousands of dollars)	
ASSETS		
CURRENT ASSETS		
Cash and term deposits	$ 9,057	$ 6,263
Accounts receivable	55,668	71,045
Income taxes recoverable	—	179
Materials and supplies	4,572	5,096
Prepaid expenses	15,576	14,208
	84,873	96,791
INVESTMENTS AND ADVANCES		
Investments in associated companies (Note 11)	60,320	57,446
Mortgage receivable (Note 5)	15,000	15,000
Notes receivable and other (Notes 6 and 10)	3,970	2,371
	79,290	74,817
FIXED ASSETS (Note 7)	219,383	208,713
GOODWILL AND AUTHORITIES	10,454	11,751
	$394,000	$392,072
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank advances, secured	$ 15,428	$ 14,278
Accounts payable and accrued	58,707	62,703
Income taxes payable	190	—
Current maturities of long-term debt	2,418	2,457
	76,743	79,438
LONG-TERM DEBT (Note 8)	122,634	139,481
DEFERRED INCOME TAXES	3,233	1,700
SHAREHOLDERS' EQUITY		
Share capital (Note 9)		
Preferred	3,775	4,095
Common	103,914	102,706
	107,689	106,801
Cumulative translation adjustment	(4,651)	(4,514)
Retained earnings	88,352	69,166
	191,390	171,453
CONTINGENCIES AND COMMITMENTS (Note 13)		
	$394,000	$392,072

Approved by the Board:

J.R. McCaig
Director

J.J. McCaig
Director

TRIMAC LIMITED
Consolidated Statement of Changes in Financial Position

	Year ended December 31	
	1991	1990
	(thousands of dollars)	
CASH PROVIDED (USED)		
OPERATIONS		
Earnings before discontinued businesses	$ 23,724	$ 14,436
Depreciation and amortization	43,939	38,612
Gain on sale of assets (net)	(1,195)	(1,116)
Deferred income taxes	1,537	1,937
Associated companies		
- Net earnings	(5,775)	(4,178)
- Gain on dilution of equity interest	(3,765)	(2,717)
- Gain on disposal of shares	(10,344)	—
Other non-cash items	597	310
Cash from operations	48,718	47,284
Discontinued businesses	—	(2,373)
NET CASH FLOW	48,718	44,911
INVESTMENTS		
Purchase of fixed assets	(65,678)	(59,395)
Proceeds on sale of fixed assets	15,353	25,532
Net capital expenditures	(50,325)	(33,863)
Proceeds on sale of 800,000 shares of Chauvco Resources Ltd.	16,000	—
Acquisition of transportation assets (net of cash acquired of $604)	—	(35,408)
Investment in subsidiary and associated companies	(410)	(21,549)
Net change in non-cash working capital balances	10,687	3,002
Other	(2,039)	1,025
CASH USED IN INVESTMENTS	(26,087)	(86,793)
FINANCING		
Increase in long-term debt	19,986	27,978
Repayments of long-term debt	(37,873)	(4,439)
	(17,887)	23,539
Conversion of convertible debenture	—	(30,000)
Increase in common share capital	1,208	30,448
Net change in working capital loans	1,150	5,569
Dividend paid on common shares	(3,633)	(6,112)
Preferred share dividends and redemptions	(675)	(27,715)
CASH USED IN FINANCING	(19,837)	(4,271)
NET INCREASE (DECREASE) IN CASH	2,794	(46,153)
CASH POSITION, BEGINNING OF YEAR	6,263	52,416
CASH POSITION, END OF YEAR	$ 9,057	$ 6,263

TRIMAC LIMITED
Notes to Consolidated Financial Statements
December 31, 1991

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

These consolidated financial statements include the accounts of Trimac Limited ("the Corporation") and its subsidiaries (collectively "Trimac"). All of the subsidiaries are virtually wholly owned: minority interests are immaterial.

Investments in associated companies are accounted for by the equity method. Under the equity method. the cost of the investment, including goodwill at acquisition, is adjusted for Trimac's share of undistributed earnings or losses and capital transactions.

Goodwill and Authorities

Goodwill and authorities are being amortized on a straight line basis over periods of up to 40 years, except for $2,157,000 which was acquired prior to March 31, 1974.

Income from Contracts

Income from contracts is recorded by the percentage-of-completion method of accounting. Any anticipated losses are provided for in their entirety.

Fixed Assets

Depreciation is provided at rates which will amortize costs to estimated residual values, over the assets' estimated useful lives, mainly as follows:

Asset	Depreciation Method	Estimated Useful Life (Years)
Land drilling rigs	Straight line (residual - 15% to 25%)	15
Highway tractors	Varying percentages of original cost (residual - 5%)	5 - 7
Highway trailers	Straight line (residual - 4%)	7 - 10
Rental vehicles	Varying percentages of original cost	3
Lease vehicles	Varying percentages of original cost	3 - 5
Buildings and other	Various	4 - 25

Pension Plans

The actuarial present value of accrued pension benefits attributed to services rendered is not materially different than the value of assets in the plans. The previously reported surplus, in a defined contribution plan. of $1,588,000 as at December 31, 1990, was utilized to fund employer contributions in the year.

Comparative Amounts

Certain comparative figures have been reclassified to conform to the current year's presentation.

NOTE 2 - PRIOR PERIOD ADJUSTMENT

During 1990, the settlement of an insurance claim which related to the 1985 fiscal year was recorded. Retained earnings as at December 31, 1989, were reduced by $922,000, deferred taxes were reduced by $68,000 and accounts payable were increased by $990,000.

NOTE 3 - INCOME TAXES

The income tax provision is comprised of the following:

	1991	1990
	(thousands of dollars)	
Current	$1,132	$ 717
Deferred	1,537	1,937
Associated companies	2,907	1,654
	$5,576	$4,308

The provision varies from what would otherwise be expected, for the reasons set out below:

	1991		1990	
	Amount	Percent of Earnings Before Tax	Amount	Percent of Earnings Before Tax
	(thousands of dollars)			
Computed "expected" tax	$12,950	44.2%	$8,210	43.8%
Recognition of previously unrecorded tax loss benefits	(7,950)	(27.1)	(4,207)	(22.4)
Loss for which no tax benefit has been recognized	980	3.3	718	3.8
Other	(404)	(1.4)	(413)	(2.2)
	$ 5,576	19.0%	$4,308	23.0%

Loss carryforwards in the United States for which no benefits have been recorded total U.S.$55,331,000 at December 31, 1991. These losses expire as follows: 1998 - $37,925,000; 1999 -$12,190,000; 2000 - $472,000; 2002 - $1,702,000; 2004 - $3,042,000.

During 1989, Trimac acquired two contract drilling businesses. One of the assets acquired related to $142,504,000 of losses and tax costs in excess of book costs carried forward for income tax purposes. The value attributed to this asset was $18,000,000. During 1991, $22,300,000 (1990 - $10,944,000) of these losses and costs were claimed for accounting purposes. The related benefit of $9,800,000 (1990 - $4,900,000) was recognized by reducing the deferred income tax liability account by $2,735,000 (1990 - $1,400,000) and by reducing the income tax provision by $7,065,000 (1990 - $3,500,000).

Such costs and losses claimed for income tax purposes amounted to $21,000,000 in 1991 (1990 - $17,800,000) and the unclaimed balances amounted to $81,886,000 at December 31, 1991. The portion applicable to losses carried forward ($45,834,000) expires as follows: 1996 - $43,753,000; 1997 - $2,081,000.

The availability of such costs and tax loss carryforwards to Trimac is dependent upon several factors, including the ability of Trimac to generate sufficient taxable income in the carryforward period and ultimate acceptance of this availability by the taxing authorities. Management is of the opinion that such costs and losses will ultimately be available to Trimac and the remaining estimated value attributed to such asset of $11,365,000 and the benefits recognized as income of $7,065,000 in 1991 (cumulative - $13,965,000) will be realized.

NOTE 4 - DISCONTINUED BUSINESSES

	1991		1990	
	Pre-tax	After-tax	Pre-tax	After-tax
	(thousands of dollars)			
Kenting Projects Limited	$ —	$ —	$(1,938)	$(1,088)
Airborne surveys	—	—	(300)	(165)
Intera Information Technologies	(824)	(550)	—	—
	$(824)	$(550)	$(2,238)	$(1,253)

NOTE 5 - MORTGAGE RECEIVABLE

The mortgage is due on September 7, 1993, with an interest rate of 8 1/2%. It is secured by a first mortgage on an office building.

NOTE 6 - NOTES RECEIVABLE

Included in notes receivable and other is $3,420,000 (1990 - $1,655,000) of interest-free loans to employees made under the terms of an executive incentive plan. This plan provides for the advance of an interest-free loan to each of the participants under the plan to be used for the purchase of Class "A" Preferred shares and common shares of Revest Holdings Inc. which holds an investment in the Corporation's common shares. These loans are repayable on the earlier of demand or November 9, 1994.

NOTE 7 - FIXED ASSETS

The cost of fixed assets and net book value by major classification are as follows:

	1991		1990	
	Cost	Net Book Value	Cost	Net Book Value
	(thousands of dollars)			
Equipment				
Highway transportation equipment	$175,357	$ 76,439	$175,308	$ 84,641
Drilling rigs and related equipment	129,657	30,202	132,239	29,604
Lease and rental vehicles	97,580	65,546	81,475	53,298
Other	30,521	11,209	25,267	9,621
	433,115	183,396	414,289	177,164
Land, buildings and yard improvements	45,743	35,987	41,053	31,549
	$478,858	$219,383	$455,342	$208,713

NOTE 8 - LONG-TERM DEBT

Details of long-term debt, including aggregate annual repayments required over the next five years, are as follows:

	1991		1990	
	Long-Term	Current	Long-Term	Current
	(thousands of dollars)			
Transportation				
Canada (a)	$ 42,839	$ 420	$ 57,359	$ 129
U.S. (b)	14,900	240	18,637	1,088
	57,739	660	75,996	1,217
Leasing (c)	49,420	—	42,757	—
Drilling (d)	13,418	1,062	19,267	794
Other	2,057	696	1,461	446
	$122,634	$2,418	$139,481	$2,457

(a) The loans are secured by certain highway transportation equipment and certain real estate properties under floating charge debentures. Interest rates are floating, ranging mainly from Canadian prime plus 1/4% to 3/8% with alternative rate options. The amounts outstanding are mainly revolving and may be terminated by defined notice. If such termination occurs, the loans will be repayable over eight years commencing in 1992.

(b) The loans include revolving loans and are secured by certain highway transportation equipment and certain real estate properties. Interest rates are floating and range from U.S. base to U.S. base plus 1% with alternative rate options. The revolving loans may be terminated by defined notice. If such termination occurs, the loans will be repayable over six years.

(c) The loans are secured by certain lease and rental vehicles. Interest rates are fixed and floating. Fixed rates range from 6.9% to 14% and floating rates range from Canadian prime to prime plus 1%. The amounts outstanding are revolving and may be terminated by defined notice. If such termination occurs, the loans will be repayable over periods of up to five years.

(d) The loans are secured mainly by drilling rigs and related receivables. Interest rates are floating and are 1/4% to 1 1/2% over Canadian prime; 1.3% over U.S. LIBOR; and 3/4% to 1% over U.K. LIBOR or Base Rate. The loans are repayable over periods of up to six years.

(e) Repayments - aggregate amounts of long-term debt repayable in the years ending December 31 are: 1992 - $2,418,000; 1993 - $2,558,000; 1994 - $1,616,000; 1995 - $601,000; 1996 - $4,692,000; thereafter - $113,167,000.

(f) Certain of Trimac's long-term debt is payable in foreign currencies. The Canadian dollar equivalent of this debt (long-term and current portion) is as follows: payable in U.S. dollars - $19,323,000 and payable in U.K. pounds sterling - $4,419,000.

NOTE 9 - SHARE CAPITAL

	Issued	
	Number	Amount (thousands of dollars)
PREFERRED SHARES		
First Preferred Shares of a stated value of $25 each (authorized 320,000 shares) - 9.12% Cumulative Redeemable First Preferred Shares, Series A		
Issued as at December 31, 1990	163,800	$4,095
Purchased for cancellation (a)	(12,800)	(320)
Issued as at December 31, 1991	151,000	3,775
Class A Preferred Shares without nominal or par value (authorized 50,000,000 shares) issuable in series	—	—
Class B Preferred Shares without nominal or par value (authorized 50,000,000 shares) issuable in series Floating Rate, Cumulative, Redeemable, Retractable Class B Preferred Shares, Series 1	—	—
Second Preferred Shares of a stated value of $10 each (authorized 113,500 shares) - Redeemable, Retractable, Convertible Second Preferred Shares, "B" Series	—	—
		$3,775

(a) Purchase obligation - The Corporation is required to purchase 3,200 First Preferred Shares, Series A each calendar quarter in the open market, if the market price does not exceed $25 plus accrued and unpaid cumulative dividends and costs of purchase. The quarterly purchase obligation carries forward for up to three succeeding quarters, to the extent not satisfied, and is then extinguished. During 1991, the Corporation purchased 12,800 shares pursuant to its purchase obligation.

The Corporation is entitled to redeem the outstanding First Preferred Shares, Series A at the stated value of $25 each.

COMMON SHARES

	Issued	
	Number	Amount (thousands of dollars)
Common shares without nominal or par value (authorized 100,000,000 shares) -		
Issued as at December 31, 1990	36,176,599	$102,706
Stock options exercised	338,241	1,208
Issued as at December 31, 1991	36,514,840	$103,914

COMMON SHARES RESERVED

At December 31, 1991, the following common shares were reserved for options granted to officers and employees:

Date Granted	Expiry Date	Price per Share	Number of Shares
March 3, 1987	March 3, 1992	$3.155	25,750
August 19, 1988	August 19, 1993	3.800	197,500
November 9, 1989	November 9, 1994	4.800	76,000
January 18, 1990	January 18, 1995	6.750	20,000
August 10, 1990	August 10, 1995	7.625	30,000
November 1, 1990	November 1, 1995	6.625	524,600
March 7, 1991	March 7, 1996	7.625	10,000
November 7, 1991	November 7, 1996	9.125	24,500
			908,350

NOTE 10 - RELATED PARTY TRANSACTION

As at December 31, 1991, the Corporation was committed to provide funding of $7,500,000 to a wholly owned subsidiary of Bovar Inc., a 46.1% owned associated company, for the construction of a medical waste disposal facility. The loan bears interest at 17%, and is due on demand. It is secured by a mortgage on a property and is guaranteed by Bovar Inc. The amount advanced at December 31, 1991, was $800,000 and has been included in Notes receivable and other.

NOTE 11 - CACTUS DRILLING COMPANIES

The Cactus group of companies ceased operations in September, 1991, due to continued poor results and prospects for its operations. All investments in and advances to Cactus were previously written off and Trimac has no obligation to make further advances to Cactus.

NOTE 12 - SEGMENTED INFORMATION

Trimac conducts its business through wholly owned subsidiaries and associated companies. The subsidiaries' operations are in three business segments: transportation services, which is the highway transportation of bulk commodities; truck leasing and rentals; and drilling services, which is oil and gas contract drilling. The associated companies' operations include engineering and construction (engineering), oil and gas exploration and production (oil and gas) and other operations of technology service and oilfield equipment supply.

BY INDUSTRY SEGMENT

	Operating Revenues (a)	Earnings Before Tax	Depreciation and Amortization (a)	Capital Expenditures (a)	Identifiable Assets (b)
1991			(thousands of dollars)		
Subsidiaries					
Transportation services	$291,079	$16,053	$20,880	$18,114	$172,866
Truck leasing	55,375	6,695	16,155	40,220	78,113
Drilling services	102,568	4,580	6,018	7,064	56,722
Other	25	(1,328)	886	280	25,979
	449,047	26,000	43,939	65,678	333,680
Associated Companies					
Engineering		1,913			15,124
Oil and gas					
- earnings		6,231			31,849
- gain on dilution of equity interest		3,765			
- gain on disposal of shares		10,344			
Other		538			13,347
	—	22,791	—	—	60,320
Sub-total	449,047	48,791	43,939	65,678	394,000
General and administrative costs		(6,159)			
Interest		(13,332)			
	$449,047	$29,300	$43,939	$65,678	$394,000

BY INDUSTRY SEGMENT

	Operating Revenues (a)	Earnings Before Tax	Depreciation and Amortization (a)	Capital Expenditures (a)	Identifiable Assets (b)
1990			(thousands of dollars)		
Subsidiaries					
Transportation services	$284,719	$19,840	$18,816	$21,459	$179,437
Truck leasing	47,305	6,019	13,590	33,877	63,710
Drilling services	112,976	3,959	5,422	3,791	66,934
Other	57	(1,105)	784	268	24,545
	445,057	28,713	38,612	59,395	334,626
Associated Companies					
Engineering		(1,198)			13,485
Oil and gas					
- earnings		5,792			29,972
- gain on dilution of equity interest		2,717			
Other		1,238			13,989
	—	8,549	—	—	57,446
Sub-total	445,057	37,262	38,612	59,395	392,072
General and administrative costs		(5,013)			
Interest		(13,505)			
	$445,057	$18,744	$38,612	$59,395	$392,072

(a) Associated companies' results are not consolidated; therefore these items are not applicable.
(b) Represents Trimac's carrying value of associated companies.

BY GEOGRAPHIC AREA

	Year Ended December 31, 1991			Year Ended December 31, 1990		
	Operating Revenues	**Earnings Before Tax**	**Identifiable Assets**	Operating Revenues	Earnings Before Tax	Identifiable Assets
			(thousands of dollars)			
Canada	**$307,684**	**$18,104**	**$212,424**	$285,073	$21,123	$211,116
United States	**126,518**	**(520)**	**103,555**	144,065	4,197	106,090
Other	**14,845**	**2,257**	**17,701**	15,919	(1,620)	17,420
	449,047	**19,841**	**333,680**	445,057	23,700	334,626
Associated Companies		**22,791**	**60,320**		8,549	57,446
Interest		**(13,332)**			(13,505)	
	$449,047	**$29,300**	**$394,000**	$445,057	$18,744	$392,072

NOTE 13 - CONTINGENCIES AND COMMITMENTS

(a) Donald K. Jackson, a former officer and director of Trimac Limited, commenced a legal action against the Corporation and a subsidiary seeking, among other things, damages of $750,000 for loss of office and $25,000,000 for inducing the breach of his employment contract with a subsidiary, for breach of a shareholders' agreement, and for inducing the breach of an option agreement by the subsidiary. The Corporation counterclaimed seeking, among other things, $20,000,000 for breach of fiduciary and other duties owed to the Corporation. The trial with respect to this matter was completed in 1991; however, a decision has not yet been rendered, and accordingly the Corporation considers it inappropriate to attempt to indicate what that decision may be. The result of the decision will be accounted for as a prior period adjustment.

(b) As at December 31, 1991, Trimac had lease commitments totalling $28,226,000. Required annual payments are as follows: 1992 - $9,414,000; 1993 - $7,343,000; 1994 - $4,485,000; 1995 - $2,891,000; 1996 - $2,061,000; thereafter - $2,032,000.

(c) See Income Taxes (Note 3).

AUDITORS' REPORT

To the Shareholders of
TRIMAC LIMITED:

We have audited the consolidated balance sheets of Trimac Limited as at December 31,1991 and 1990, and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1991 and 1990, and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Price Waterhouse

Chartered Accountants

Calgary, Alberta
February 20, 1992

Five Year Financial Review

	1991	1990	1989	1988	1987
	Year Ended December 31				
	(thousands of dollars except per share amounts)				
OPERATIONS					
Revenue	**$449,047**	$445.057	$338,635	$320.081	$269.906
Depreciation, depletion and amortization	**43,939**	38,612	35,308	31.951	28,297
Interest - long-term debt	**13,636**	18.581	21.112	16.716	13.608
Earnings before taxes	**29,300**	18,744	21.375	19.707	15.262
Earnings before unusual and extraordinary items	**23,724**	14.436	12.411	10.566	6.938
Per common share	**0.64**	0.38	0.32	0.30	0.18
Net earnings	**23,174**	13.183	43.308	5.825	9.684
Per common share	**0.63**	0.34	1.33	0.16	0.26
Cash from operations	**48,718**	47.284	38,134	35.086	28.458
Net capital investments					
Fixed assets	**50,325**	33.863	28.255	40.547	42.237
Acquisitions/investments	**410**	56.957	42.417	19.700	1.484
FINANCIAL POSITION					
Working capital	**8,130**	17.353	67,429	19.168	26.387
Fixed assets, net book value	**219,383**	208,713	182.489	222.079	246.927
Long-term debt	**122,634**	139,481	111.817	150.274	156.631
Convertible debenture	**—**	—	30,000	30.000	30.000
Shareholders' equity - preferred	**3,775**	4.095	30.235	30.555	30.875
- common	**187,615**	167,358	132.247	92.640	113.541
- total	**191,390**	171,453	162,482	123.195	144.416
QUARTERLY RESULTS (unaudited)					
Revenue					
First quarter	**121,089**	103,784	76.616	68.950	59.980
Second quarter	**105,461**	103.673	83.093	77.917	62.941
Third quarter	**114,812**	118.294	91,781	80.073	75.576
Fourth quarter	**107,685**	119,306	87.145	93.141	71.409
	449,047	445.057	338.635	320.081	269.906
Earnings (loss) before unusual and extraordinary items					
First quarter	**1,944**	1.816	154	692	(420)
Second quarter	**14,854**	929	3.187	2.208	1.448
Third quarter	**4,742**	4,784	4.151	3.325	2.802
Fourth quarter	**2,184**	6,907	4.919	4.341	3.108
	23,724	14.436	12.411	10.566	6.938
Earnings (loss) per common share before unusual and extraordinary items					
First quarter	**0.05**	0.04	(0.02)	0.02	(0.02)
Second quarter	**0.41**	0.00	0.08	0.06	0.04
Third quarter	**0.13**	0.14	0.12	0.09	0.08
Fourth quarter	**0.05**	0.20	0.14	0.13	0.08
	0.64	0.38	0.32	0.30	0.18

Corporate Information

Directors	Director Since
J.R. McCaig, Calgary Chairman and Chief Executive Officer Trimac Limited	1970
M.W. McCaig, Vancouver President Mo-Mac Investments Ltd.	1971
[illegible] **M. Dubinsky**, Q.C., Calgary President Administrative Consultants Limited	1971
ntonie **A. Vanden Brink**, Calgary President Tokay Resources Ltd.	1976
D.D.C. McGeachy, London Director Nechako Investments Ltd.	1977
R.T. Eyton, Calgary Chairman and Chief Executive Officer Canadian Airlines International Ltd.	1984
H.A. Hampson, Toronto Company Director	1987
H.E. Wyatt, Calgary Chairman Liquid Carbonic Inc.	1988
D.K. Seaman, Calgary Chairman Bow Valley Industries Ltd.	1990
J.J. McCaig, Calgary President and Chief Operating Officer Trimac Limited	1990

Officers

J.R. McCaig, Chairman and Chief Executive Officer

J.J. McCaig, President and Chief Operating Officer

R.D. Algar, Vice President Human Resources

F.T. Bailey, Vice President Corporate Affairs and Secretary

G.A. Campbell, Vice President and Treasurer

A.E. Dumont, Vice President and President, Kenting Energy Services

T.J. Jackson, Vice President Finance

S.W.C. Mulherin, Vice President Corporate Development and Associated Companies

A.B. Zaleski, Vice President and President, Trimac Transportation

Auditors

Price Waterhouse
Calgary, Alberta

Transfer Agents

The Royal Trust Company
- Common Shares

Montreal Trust Company of Canada
- 9.12% First Preferred Shares, Series A

Stock Exchange Listings

The Toronto and Montreal Stock Exchanges

Transportation Services

Bulk Highway Transportation

Trimac Transportation System
A.B. Zaleski, President
2100, 800 5 Avenue SW
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5146

Canada

A.W. Piché, Vice President
Western Division
700, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

Operations: British Columbia, Alberta, Saskatchewan, Manitoba.

E.J. Rivait, Vice President
Eastern Division
2284 Wyecroft Road
Oakville, Ontario L6L 5N2
Telephone: (416) 827-9800
Facsimile: (416) 827-8038

Operations: Ontario, Quebec, United States.

Bulk Systems Management Ltd.
G.E.D. Lloyd, President
202, 4240 Manor Street
Burnaby, British Columbia V5G 1B2
Telephone: (604) 430-3445
Facsimile: (604) 430-1368

Operations: British Columbia, Alberta, Ontario, Washington.

United States

Trimac Transportation, Inc.
A.B. Zaleski, President
1292 Fern Valley Road 40219
P.O. Box 36247 (mail)
Louisville, Kentucky 40233
Telephone: (502) 964-3351
Facsimile: (502) 964-8539

C.R. Elsey, Executive Vice President
Eastern Division
c/o Liquid Transporters, Inc.

Liquid Transporters, Inc.
1292 Fern Valley Road 40219
P.O. Box 36247 (mail)
Louisville, Kentucky 40233
Telephone: (502) 964-3351
Facsimile: (502) 964-8539

Operations: Illinois, Kentucky, Louisiana, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas.

Trimac Bulk Transportation, Inc.
1292 Fern Valley Road 40219
P.O. Box 36247 (mail)
Louisville, Kentucky 40233
Telephone: (502) 964-3351
Facsimile: (502) 964-8539

Operations: Alabama, Indiana, Kentucky, Louisiana, South Carolina, Texas.

B.J.B. Bonafide, Vice President
Western Region
c/o Universal Transport Inc.

Universal Transport Inc.
3600 Universal Drive 57702
P.O. Box 3000 (mail)
Rapid City, South Dakota 57709
Telephone: (605) 348-1063
Facsimile: (605) 341-0649

Operations: Colorado, Nebraska, Nevada, South Dakota, Utah, Wyoming.

Quality Service Tank Lines, Inc.
13550 Toepperwein Road
San Antonio, Texas 78233-4004
Telephone: (512) 654-1666
Facsimile: (512) 654-1139

Operations: Texas.

Trimac Transportation Services (Western), Inc.
1222 46 Avenue East
Tacoma, Washington 98424
Telephone: (206) 922-3977
Facsimile: (206) 922-3982

Operations: Washington, California.

Transportation Consulting

Trimac Consulting Services
L.L. Ash, General Manager
700, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

Truck Leasing and Rentals

Rentway, Inc.
R.W. Waye, President
308, 191 The West Mall
Etobicoke, Ontario M9C 4Z4
Telephone: (416) 626-7922
Facsimile: (416) 626-5177

Operations: British Columbia, Alberta, Manitoba, Ontario, Quebec, Michigan, Ohio.

Drilling Services

Kenting Energy Services
A.E. Dumont, President
2100, 800 5 Avenue SW
P.O. Box 3500 (mail)
Calgary, Alberta T2P 2P9
Telephone: (403) 298-5100
Facsimile: (403) 298-5258

Operating Companies

Kenting Hi-Tower Drilling
G.G. Meier, Vice President
1610, 300 5 Avenue SW
Calgary, Alberta T2P 2V8
Telephone: (403) 221-8800
Facsimile: (403) 221-8821

Operations: British Columbia, Alberta, Saskatchewan, Yukon Territory.

Sedco Drilling
H.W. Strain, Vice President
1600, 300 5 Avenue SW
P.O. Box 6680, Station D
Calgary, Alberta T2P 2V8
Telephone: (403) 221-8822
Facsimile: (403) 221-8821

Operations: British Columbia, Alberta, Saskatchewan.

Kenting Apollo Drilling, Inc.
J. Jacobsen, Vice President
1860, 1099 18 Street
Denver, Colorado 80202
Telephone: (303) 298-1383
Facsimile: (303) 297-1181

Operations: Montana, North Dakota, Wyoming.

Kenting Drilling Services Ltd.
A.J. Beswick, Managing Director
Trent Lane, Castle Donington
Derby, DE7 2NP England
United Kingdom
Telephone: 44-332-850060
Facsimile: 44-332-850553

Operations: The Netherlands, Denmark, United Kingdom, France

Environmental Services

TriWaste Environmental Services Inc.
R.C. Leland, Vice President
2020, 800 5 Avenue SW
Calgary, Alberta T2P 2P9
Telephone: (403) 261-7888
Facsimile: (403) 261-6737

Associated Companies

Engineering and Construction

Banister Inc.
E.R. Austin, President
3660 Midland Avenue
Scarborough, Ontario M1V 4V3
Telephone: (416) 754-8735
Facsimile: (416) 754-8736

Bantrel Inc.
P.J. Lovell, President
900, 703 6 Avenue SW
P.O. Box 1990, Station M (mail)
Calgary, Alberta T2P 2M2
Telephone: (403) 290-5000
Facsimile: (403) 290-5050

Oil and Gas

Chauvco Resources Ltd.
G.J. Turcotte, President
2900, 255 5 Avenue SW
Calgary, Alberta T2P 3G6
Telephone: (403) 231-3100
Facsimile: (403) 269-9497

Enviromental Services

Bovar Inc.
P.S. Fee, President
250, 3115 12 Street NE
Calgary, Alberta T2E 7J2
Telephone: (403) 250-3742
Facsimile: (403) 250-3909

Information Technology

Intera Information Technologies Corporation
B.L. Bullock, President
2500, 101 6 Avenue SW
Calgary, Alberta T2P 3P4
Telephone: (403) 266-0900
Facsimile: (403) 265-0499

Oilfield Equipment

Alberta Petroleum Equipment Co. Ltd.
D.P. Johnson, President
680, 707 7 Avenue SW
Calgary, Alberta T2P 3H6
Telephone: (403) 263-7714
Facsimile: (403) 263-7770

Trimac

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Financial Highlights
(unaudited)

(thousands of dollars except per share amounts)	Three months ended June 30 1991	1990
OPERATING RESULTS		
Revenues	**$105,461**	$103,673
Earnings before discontinued businesses	**14,854**	929
- per share	**0.41**	nil
Net earnings	**14,854**	629
- per share	**0.41**	(0.01)
Cash from operations	**12,386**	10,254
Net capital investments:		
Fixed assets	**12,702**	16,390
Acquisitions/investments	**–**	1,413
	Six months ended June 30 1991	1990
Revenues	**226,550**	207,457
Earnings before discontinued businesses	**16,798**	2,745
- per share	**0.46**	0.04
Net earnings	**16,798**	2,445
- per share	**0.46**	0.03
Cash from operations	**24,301**	20,785
Net capital investments:		
Fixed assets	**22,448**	21,153
Acquisitions/investments	**65**	31,680
FINANCIAL POSITION		
Working capital	**17,155**	43,790
Total assets	**386,129**	391,005
Long-term debt	**125,567**	130,009
Convertible debenture	**–**	30,000
Shareholders' equity	**184,720**	155,691
SHARE DATA		
Common share dividends	**0.10**	0.20
Common shareholders' equity	**4.97**	4.16
Number of common shares outstanding	**36,388,190**	30,624,836

Trimac

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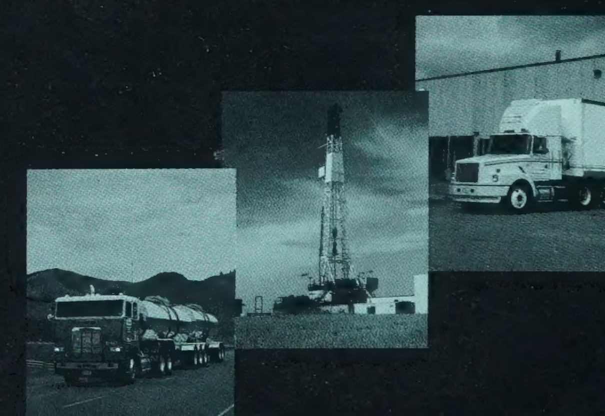
SECOND QUARTER

1991 INTERIM REPORT



RED AUG 27, 1991

Corporate Developments

To Our Shareholders:

Operating Results Trimac's net earnings in the second quarter of 1991 were $14.9 million ($0.41 per share) compared to earnings before discontinued businesses of $929,000 ($nil per share after provision for preferred dividends) in 1990. Net earnings in 1990 were $629,000 (a loss of $0.01 per share after provision for preferred dividends).

Earnings in the second quarter include a pre-tax gain of $10.4 million arising from the sale by Trimac of 800,000 shares of Chauvco Resources Ltd. Also included in the second quarter results is a pre-tax gain on dilution of $3.7 million as a result of an equity issue by Chauvco in which Trimac did not participate. These two items contributed $0.34 per share of earnings in the second quarter.

Total revenues of $105.5 million were up slightly from $103.7 million last year.

Cash flow from operations was $12.4 million in the second quarter compared to $10.3 million in 1990.

Transportation revenues increased to $75.4 million from $72.5 million last year as a result of acquisitions in 1990. Earnings also increased in part as a result of lower cost structures.

Revenues in energy services of $16.3 million were down from the $19.4 million recorded in the second quarter of 1990. Earnings were below the prior year due mainly to lower activity levels in the United States.

Equipment leasing revenues increased to $13.8 million from $11.7 million in the second quarter of 1990. Earnings were unchanged from the previous year as improved results in the full service lease business were offset by carrying costs on surplus rental equipment.

Pre-tax equity earnings from associated companies of $2.0 million were much improved over the loss of $421,000 last year. Improved results from Chauvco and a smaller loss at Banister Inc. were the main reasons for this increase.

Proceeds from the sale of the 800,000 Chauvco shares were used to reduce both short and long-term debt. As at June 30, 1991, total long-term debt amounted to $125.6 million resulting in a debt to equity ratio of 0.68 to one.

For the six months ended June 30, 1991, net earnings were $16.8 million ($0.46 per share) compared to earnings before discontinued businesses of $2.7 million ($0.04 per share) in 1990. Net earnings in 1990 were $2.4 million ($0.03 per share).

Outlook Although improved cost controls have benefited transportation, we do not anticipate substantial increases in earnings until the economy makes a full recovery. Drilling prospects continue uncertain as low natural gas and heavy oil prices are affecting drilling rig utilization rates.

J. R. McCaig

J. R. McCaig
Chairman
August 8, 1991

Trimac Limited And Subsidiary Companies

Consolidated Statement Of Earnings
(unaudited)

(thousands of dollars except per share amounts)	Period ended June 30 Three months 1991	Three months 1990	Six months 1991	Six months 1990
REVENUES				
Transportation services	$ 75,358	$ 72,533	$141,539	$129,812
Energy services	16,349	19,422	58,719	54,684
Equipment leasing	13,754	11,718	26,292	22,961
	105,461	103,673	226,550	207,457
OPERATING COSTS AND EXPENSES				
Direct	71,795	73,263	160,179	150,048
Depreciation and amortization	10,772	9,349	21,400	18,029
Selling and administrative	15,856	14,838	31,712	28,588
Loss (gain) on sale of assets	24	(304)	(240)	(552)
	98,447	97,146	213,051	196,113
OPERATING EARNINGS	7,014	6,527	13,499	11,344
Associated companies				
– earnings	1,963	(421)	3,555	680
– gain on dilution of equity interest	3,676	–	3,676	–
– gain on disposal of shares	10,356	–	10,356	–
Interest – long-term debt	(3,489)	(4,952)	(7,651)	(9,337)
Interest – other	(80)	1,666	166	3,606
General and administrative costs	(1,631)	(1,210)	(2,856)	(2,384)
EARNINGS BEFORE TAXES	17,809	1,610	20,745	3,909
Income taxes	2,955	681	3,947	1,164
EARNINGS BEFORE DISCONTINUED BUSINESSES	14,854	929	16,798	2,745
Discontinued businesses	–	(300)	–	(300)
NET EARNINGS	$ 14,854	$ 629	$ 16,798	$ 2,445
EARNINGS PER SHARE:				
Before discontinued businesses	$0.41	$ nil	$0.46	$0.04
Net earnings	0.41	(0.01)	0.46	0.03

Trimac Limited And Subsidiary Companies

Consolidated Statement Of Changes In Financial Position
(unaudited)

(thousands of dollars)	Period ended June 30 Three months 1991	Three months 1990	Six months 1991	Six months 1990
CASH PROVIDED (USED)				
OPERATIONS:				
Earnings before discontinued businesses	$ 14,854	$ 929	$ 16,798	$ 2,745
Depreciation and amortization	10,772	9,349	21,400	18,029
Loss (gain) on sale of assets	24	(304)	(240)	(552)
Deferred income taxes	1,471	(302)	1,793	663
Associated companies				
– Net earnings	(693)	626	(1,494)	(73)
– Gain on dilution of equity interest	(3,676)	–	(3,676)	–
– Gain on disposal of shares	(10,356)	–	(10,356)	–
Other non-cash items	(10)	(44)	76	(27)
Cash from operations	12,386	10,254	24,301	20,785
Discontinued businesses	–	(100)	–	(100)
Net cash flow	12,386	10,154	24,301	20,685
INVESTMENTS:				
Purchase of fixed assets	(17,349)	(23,358)	(29,365)	(32,315)
Proceeds on sale of fixed assets	4,647	6,968	6,917	11,162
Net capital expenditures	(12,702)	(16,390)	(22,448)	(21,153)
Acquisition of transportation assets	–	538	–	(14,976)
Acquisition of BOVAR	–	(288)	–	(3,777)
Investment in associated companies	–	(1,663)	(65)	(12,927)
Proceeds on sale of 800,000 shares of Chauvco Resources Ltd.	16,000	–	16,000	–
Net change in non-cash working capital balances	15,144	13,297	953	5,347
Other	(226)	(914)	(1,297)	857
Cash provided by (used in) investments	18,216	(5,420)	(6,857)	(46,629)
FINANCING:				
Increase in long-term debt	4,332	1,235	7,769	20,756
Repayments of long-term debt	(17,075)	(1,518)	(21,100)	(3,782)
	(12,743)	(283)	(13,331)	16,974
Net change in working capital loans	(13,567)	4,982	1,594	10,402
Dividends paid on common shares	–	–	(3,633)	(6,112)
Preferred share dividends and redemptions	(169)	(803)	(341)	(3,367)
Cash employed in financing	(26,479)	3,896	(15,711)	17,897
Net increase (decrease) in cash	4,123	8,630	1,733	(8,047)
Cash position, beginning of the period	3,873	35,739	6,263	52,416
CASH POSITION, END OF THE PERIOD	$ 7,996	$44,369	$ 7,996	$44,369